

14 May 1958

MEMORANDUM FOR THE RECORD

SUBJECT: **Orientation Meeting on State Department's Proposed Amendments to the Foreign Service Act**

1. On 9 May 1958, [redacted] attended a meeting in the Bureau of the Budget on State Department's Omnibus Bill, Foreign Service Act Amendments of 1958. Those present were: Messrs. Severy, Fee, Bryan and Platt of the Bureau of the Budget; Messrs. Southworth and Woodyear of the State Department; Mr. John Carroll of the White House Staff, and Mr. David Lorb of the Civil Service Commission.

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2. This was primarily a run through of State's proposals. While the meeting was uneventful from the Agency standpoint, the Agency representatives were most interested in the discussions as they reflected the State Department and Budget positions on legislation in which we have a general interest. At the meeting, Mr. Woodyear indicated that State representatives have briefed USIA and ICA on their proposals and expect a no objection reply from them. The provisions discussed at some length were:

a. Retirement. Mr. Platt queried the State people at some length on their retirement proposals and indicated a desire for a detailed comparison of the basic systems of Foreign Service and Civil Service retirement. Mr. Woodyear emphasized the need for recognition for special legislation for the Foreign Service in view of its particular problems in the retirement field. However, Mr. Carroll also indicated a need for this comparison, and the Civil Service and State Department representatives are to draw it up. Mr. Platt also requested cost figures on the retirement proposals in terms of the relative cost of payroll.

b. Selection-out. Mr. Southworth indicated that Deputy Under Secretary Henderson definitely wanted a tighter selection-out program. It is his desire to improve selection-out benefits so that State selection boards will not be reluctant to separate employees under these provisions. Southworth stated that at the present time State Department has about ten selection-out cases per year. He expects this average to increase to approximately 35 such cases if this legislation is passed. This number would constitute at least 1% selection-out of each class each year. In connection with the annuity provisions of section 872(a) of the bill in selection-out cases, Mr. Platt raised a question on permitting the

acceptance of a Foreign Service retirement annuity and the salary of a position with another Government agency without any reference to age. (It is believed that this section of the bill will receive very close scrutiny by the Bureau of the Budget).

c. Mr. Korb did not want to take a position on sections 637(a) and 638(a), on separation for cause and curtailment of staff, but expressed some concern over these provisions as they relate to Veterans' Preference Benefits.

d. Language Training. There was considerable discussion over the State Department proposals in the field of language training. The State Department representatives indicated that this section incorporated the provision of Senator Saltonstall's bill, S. 3532. They have not fully developed a language training program nor have they fully developed their justifications for these provisions. In this connection, [redacted] described in general terms the Agency's language training program and offered assistance to State in developing their background materials in this area. 25X

e. Section 803(c) relating to the entry of Foreign Service staff officers into the Foreign Service Retirement System after 10 years of service was not discussed in detail. 25

3. Mr. Harry Little has been briefed on this meeting and is to arrange for a meeting with appropriate State Department representatives to discuss the lateral entry and reserve officer provisions. Following the meeting, Agency comments will be drafted by this office for the Bureau of the Budget.

[redacted] 25X
Assistant to the Legislative Counsel

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